The Council of Independent Colleges

President-Board Relations

Case Studies

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Ambrosia University

Founded in the 1860's, Ambrosia University was a respected mid-tier comprehensive university that had averaged approximately 1700 undergraduates and 250 masters candidates, most of them from a three-state area. But strains had begun to show.

President John Pragmatic was recruited as the new leader when the college was experiencing its second annual operating deficit and shrinking enrollments, especially in the highly regarded liberal arts disciplines that had been the strength of the institution for many years. Trustees had been benignly supportive of the previous president, but when John pointed out the institution's challenges, they agreed with his recommendations for change.

Located in a state facing a demographic decline in young people, John knew that the approach to admissions must be significantly overhauled. Enrollment consultants told him that the beloved, long-serving admissions director would be unable to make the necessary changes in staffing and strategy and should move on. Accordingly, John replaced the admissions director and changed the administrative structure, adding a new vice president for enrollment and a new cabinet position in marketing. He instituted a 2-year compensation freeze and invested billboards and television commercials. He directed the provost to lead a campus-wide evaluation of academic programs to include a cost-benefit analysis while developing innovative academic program that might attract students from out of state. When the provost was unable to fulfill those tasks, John found a new provost. He also convinced the board to resurrect the football program that had been phased out in the 1960's, and he worked with the CFO to develop an early retirement program aimed at senior professors and a few other senior employees.

As he began his fifth year, John knew he wasn't popular with everyone, but he was proud that the institution now boasted students from more than 20 states, was running a 5% operating surplus, and foresaw significant growth in its new digital security and criminal science majors. In fact, if all went well he projected a 6% increase in the compensation pool.

His board chair, a successful corporate CEO, noted that John's contract was set to expire in 24 months, and he hoped to convince the board to approve a healthy raise and contract extension at the end of year 5, 12 months before the current contract concluded. However, he urged John to arrange for a "360 evaluation," wherein all college constituents could be polled on John's strengths and weaknesses. "I've always done this within my company," the board chair said, "and I find it very helpful to know what I'm doing well and where I might be falling short. No one needs to see the results besides you and me, and I'll then tell the board that we need to renew you."

John wasn't eager to go through the process, but the board chair insisted. A consultant was engaged, constituents were polled, and results were aggregated.

Then the board chair had a massive heart attack. He resigned from the board and turned over its leadership to the vice chair, who had never taken a strong interest in board activities but was the institution's leading donor.

In an open session of the board, including faculty and student representatives, the new board chair shared the aggregated results of the evaluation. Yes, many credited John's changes with improvements in enrollment, but many faculty complained that he had not consulted sufficiently when eliminating or creating academic programs and positions; that he had weakened the academic reputation of the institution by draining resources from the highest quality programs in order to support athletics and pre-professional majors; and that he had harshly treated administrators and faculty who had given their lives to the institution. The faculty representative summarized the 360 report at the next meeting of the faculty senate, and the student representative gave a version to the college newspaper.

Nonetheless, the new board chair told John that the board was pleased with his work and would offer an 8% salary increase and a new 3-year term when his sixth year ended. This was different, of course, than what the previous chair had implied.

One week later, John learned he had been nominated for the presidency of a college he had always admired, and where he had friends on the search committee. He was torn; he was proud of what he'd accomplished at Ambrosia but he knew this work wasn't finished—it was now time to begin the public phase of the capital campaign. But it didn't feel entirely comfortable any more.

2.

Blue Waters College

Blue Waters College, located in a suburb of Lake Bygosh, a medium-sized city in west-central Wisconsin, is a well-respected liberal arts institution with a proud 150-year history. In the past ten years, however, BWC has seen a dip in its enrollments and therefore a loss in annual revenues. Its $50 million endowment does not throw off enough cash to compensate for these shortfalls and in fact it appears that the next year will be even worse in terms of losses. In the last two years the College has produced an operating budget deficit of close to $1 million each year. Dr. Patricia Percipient, the president, was appointed last year and charged by the Board to resolve the budget deficit situation. Dr. Percipient, who is creative and innovative, has analyzed the data and determined that for Blue Waters to survive, there must be multiple revenue streams. Lake Bygosh is a city that boasts numerous large and successful businesses, and several large hospitals. Dr. Percipient believes that there is a significant opportunity for partnerships with these organizations and starts to develop a proposal to launch online/hybrid programs that would teach professional programs. She already has several businesses lined up for hybrid programs onsite. The College had applied for approval for several masters programs in previous years (even though none were launched successfully on campus) and so accreditation approval for new delivery modes does not present a problem. In fact, the faculty are very supportive of this innovation. The problem is the Board Chair Harvey Atavist, a highly successful MD living in Maryland. Harvey, an alumnus of BWC, has been on the Board for many years and is a major donor. He is insistent that Patricia find “another alternative” to the business partnership model even though he does not offer any suggestions. After several meetings, Patricia feels exasperated. The Chair instructs her not to pursue her ideas further but rather to “tell Admissions to work harder.” The BWC Board is comprised of 27 men and women and there are several new trustees who are business leaders in the city of Lake Bygosh. What should the president do?

Buckeye College

Buckeye College is located in Plainville, Ohio, a suburb of Cincinnati. Plainville is a working-class suburb, and Buckeye College is proud to sponsor several full scholarships (one of which is endowed by an alumnus who is also a trustee) for accomplished students with high need. Buckeye has enjoyed strong enrollments for many years and has a solid endowment of $500 million. It is generally regarded as "highly selective." In addition to its quasi-elite status, Buckeye College has also enjoyed a rich diversity of its student population. This has developed in the last fifteen years, and prior to that time the College was almost exclusively white. The president, Dr. Anita Parker, has been at the helm for ten years and has made it her mission to diversify the college, in both enrollment and faculty/staff numbers. Currently the College enjoys 40% domestic diversity, with African American the largest number at 25% (followed by Latino/a at 8%, Asian at 5%, and mixed race at 2%).

The faculty racial/ethnic diversity stands at 30% and the staff at 35%. The board of trustees, numbering thirty, stands at 10%, with one African American trustee.

One beautiful October weekend, in executive session of the Fall Meeting of the Board, a trustee, Leo Dalton, announces that he is deeply concerned about the state of "wokeness" in Ohio, in Plainville, and at Buckeye College. He has read about gender education in elementary schools, and about cancel culture among progressives. Mostly he is concerned about Critical Race Theory and how it may be poisoning the minds of young people. He states that one should not be ashamed to be white and that our young students must not be taught to believe they are evil just because of their race.

At this meeting, a few trustees quietly nod their heads in agreement. Some appear confused, a few are clearly angry about Leo's comments. President Parker is stunned, caught off guard by this sudden declaration, and immediately begins to worry about what the Board will do. Trustee Dalton concludes his remarks by making the motion from the floor to forbid the teaching of Critical Race Theory at Buckeye College. Another trustee seconds. The Chair, Amos Hamilton, who is in his eighties, is nearly speechless. He asks, "Can anyone explain to me what Critical Race Theory is?" Leo answers, "It's basically teaching students that all white people are bad." Amos continues to look confused.

Anita, wanting to diffuse the tension in the room but also concerned about angering trustees, replies to Amos: "It's basically a theory that asserts that systemic racism is part of American society, in every aspect of our culture: government, education, healthcare, employment. It first emerged in the 1970s so has been around for decades. Recently, the book *The 1619 Project* brought CRT into focus again, with many people praising the renewed awareness and many people criticizing it for its divisive potential. We do teach Critical Race Theory at Buckeye and I believe this should continue."

Many of the board members appear to relax a bit following Anita's explanation. Leo is not happy. He states again, "I've never read that horrible book and don't intend to. It's clearly a pack of lies. We need to vote to ban the teaching of this!" Several trustees shift in their seats. Leo has a lifetime giving of $6 million to the College and has indicated that much more is on the way in the next campaign. Amos continues to look confused, and asks, "Anita, how will the faculty feel about this?" Anita answers, "Quite frankly, they will be outraged. They will see this as a clear violation of their academic freedom. And such a mandate will reach the media, not in a good way." She then addresses Leo: "You do know that teaching something does not mean advocating for it one way or the other, don't you Leo? We teach other theories, ideologies, political movements, such as Communism. That does not mean we advocate overthrowing the government in favor of a communist regime. How can our students know if they believe in something or not until they have studied it, read the literature, discussed, and argued the tenets?"

Leo is silent but his face has become quite red. Trustee Laurie Amato, Chair of the Academic Affairs Committee, speaks: "I think this is an issue of academic freedom, among other issues. Our Faculty Manual clearly states that professors have full say over course content, and over curriculum.The Board approves programs and majors, but not coursework within those programs. I could not support any such mandate from the board."

Trustee Margaret Williams speaks: "Leo, I am an alumna and, as you know, African American. If I didn't like you, I'd be angrier than I am now. You are wrong. I suggest we table this vote. In my opinion, if approved, it will greatly hurt the College and I would then question the wisdom of my continued participation as a Trustee."

Chair Amos, who appeared to be in a daze until Margaret spoke, says, "Tabling the vote is a good idea. We need more information and much more discussion. Let's finish the meeting and we can make plans to review whether this motion makes sense at a later time. I'm asking Anita to assist in coordinating future meetings and discussions." The Board agrees.

What should Anita do? What are her options? Assuming this issue is resolved, what can Anita work to do to prevent similar problems from occurring in the future?

Garnet Ridge College

Garnet Ridge College (GRC) is located in Mountain Home, Idaho, a small city East of Boise. The College has 1,500 undergraduate students and approximately 200 graduate students. The College offers twelve different majors; business and nursing are the most popular. Four masters programs are offered, an MBA, MEd, Criminal Justice, and Cybersecurity, each with about 50 students per program.

President Mary Foote has been at the helm for three years. During this time she has seen the College struggle to produce balanced budgets. Even though enrollments have been stable, even during Covid, expenses have increased and market pressures have driven up the undergraduate tuition discount by ten percentage points (and the College has been cautious in annual tuition increases, holding them at 2%).

Graduate programs do operate at high margin, however, and help offset some of the gap produced in the residential undergraduate program. President Foote has suggested to her Board that there is real opportunity in scaling the graduate programs, and even opportunity to add additional master's programs. The College does not offer online study and Mary feels that there is real opportunity in that market, even though it has become more crowded in recent years. There are many Garnet Ridge alumni who would love to pursue a masters degree at GRC but most live too far away from campus to attend. Offering online programs could provide greater reach to these alumni. Additionally, Dr. Foote has had conversations with businesses and school systems who are interested in partnering with GRC to provide employees educational opportunities. Dr. Foote has conducted some preliminary research and believes that graduate enrollment could grow to 1,000 in a few years. The Board is highly supportive of expanding and growing graduate programs and urges Dr. Foote to develop and implement a plan.

The Provost, George Grimes, is not supportive of such expansion. In a meeting with President Foote, he argues that expanding master's programs and getting into the online world will cost a great deal and that this would drain the residential undergraduate program. Besides, he had planned to hire at least two new sociology professors in the next year, to replace two retiring professors. The College will surely grow their sociology majors from four to eight as a result of these new hires.

President Foote tells Dr. Grimes that she understands his concern but insists that he schedule a meeting with the faculty curriculum committee to discuss the opportunity. Dr. Grimes does so, reluctantly. A few weeks later, in the meeting, Dr. Foote asks the faculty to consider expanding graduate programs and at least exploring the possibility of offering masters programs in an online format. The committee is actually somewhat receptive of the idea, especially when they hear about margin in graduate programs and how this could benefit the whole College. A minority of this group dig their heels in and refuse to listen. One faculty member from the History department states that "the faculty own the College and the president and the Board cannot tell them what to do." He adds, "if the idea does not come from the faculty, we won't consider it." A few faculty members respond that it is at least worth some discussion – and maybe it's worth surveying our current students and alumni to see if they support such a move.

At the winter board meeting, Dr. Foote informs the Board that there is considerable opposition to expanding the graduate programs and offering online study. The Chair of the Academic Affairs Committee observes that the Bylaws say nothing about faculty having ultimate control over what programs to offer, only mention of academic freedom and control over curriculum content. The Chair of the Finance Committee says that the Board should mandate expansion and that the faculty should go along. The Board Chair suggests that a different, separate governance model could be created by the Board, taking all graduate programs out of the hands of current faculty and giving it to graduate faculty.

President Foote knows that if draconian mandates are enforced, a vote of no confidence could ensue. She also knows that growing high-margin graduate programs is not just a good idea, it is essential for the survival of the College. How does she work with the faculty to help them feel positive about innovation at GRC? How does she work with her Board to get them to understand the importance of shared governance?

Henry Perry College

Founded in Kansas City in 1948, Henry Perry College (HPC for short) has two thousand students, mostly undergraduate, and has enjoyed enrollment and financial stability throughout most of its history. The college offers over 25 different majors and is best known for its culinary arts program. Most students are from the Kansas City area, and most alumni still live there.The College's Board of Trustees is comprised of 25 members, including 18 alumni.

From 2010 to 2019, Dr. Alexander Drift served as president of the college. He relied on stable enrollments for campus budgets, focusing on academic programs rather than external relations. He rarely attended alumni events, and never traveled to gatherings for alumni in more distant cities, delegating most of the fundraising activity to the Advancement Office. He shared the faculty's view that budgeting money for fundraising staff and other administrators would divert precious dollars from academic programs and financial aid. Besides, the long-serving VP for Advancement, who had never worked at another institution and was related by marriage to the Board Chair, insisted that he had identified and met with all potential alumni donors, and that few of them were interested in making a major gift.

Following the retirement of Dr. Drift and a national search, the board appointed a new president in 2019, Dr. Carl Norton. President Norton joined HPC right before COVID hit and worked energetically to keep the college vibrant and financially solvent during his first three years. HPC lost considerable enrollment during COVID, mainly due to a significant drop in its culinary arts program. With the world moving back to normal, the enrollments began to pick up at the end of 2021, and it appeared that stability had returned. However, it became clear that tuition income wouldn't keep pace with inflation, and students were reluctant to enroll without increasingly large amounts of institutional financial aid. Net revenue was flat at best, while costs were rising. President Norton realized that he needed to raise money.

Because HPC had successfully relied on robust enrollments and healthy surpluses for so many years, there had been little major gift fundraising and no capital campaigns. In fact the largest gift that the College had received came in 2013--a $3 million bequest from a 1965 graduate who had launched a successful chain of barbecue restaurants throughout the Midwest. The annual fund was stable but not robust, raising approximately $500K per year. The fundraising staff spent most of their time on mailings and phonathons.

When Carl was appointed president, the Board Chair made it clear that he wanted HPC to launch and successfully complete a capital campaign. Past surpluses had not kept pace with infrastructure needs and deferred maintenance—and now there were no surpluses. A new culinary arts building would help HPC grow its marquee program and even expand into hotel and resort management. A new business building was also needed for the expanding marketing major and the newly launched MBA.

President Norton engaged a firm to conduct the first phase of a feasibility study and learned, happily, that HPC alumni and friends had the capacity to complete an $80 million campaign. That was the good news. The bad news was that HPLC had not cultivated its wealthy alumni; there was urgent work to be done.

According to the consultant's report, the HPC board now included seven trustees who could afford a seven-figure gift or more; the rest were fairly well to do and could afford at least a low six-figure gift. The board had instituted a $5000 per year giving requirement for trustees the year before Carl arrived, but most trustees were unaccustomed to giving in larger increments. Carl began to make appointments with key trustees to discuss how they might help support HPC's first-ever capital campaign.

At the fall 2022 board development committee meeting, Carl asked the chair, Sigrid Johnson, to include a possible capital campaign on the agenda. Carl prepared to discuss the good news that he had learned, to outline how a campaign might work, and to ask the Committee for their help. But at the meeting, Sigrid allowed Carl only five minutes to discuss a possible campaign. It became clear that Sigrid and some other committee members had already been talking in advance.

The rest of the meeting was spent on proposed alumni events, phonathons, and holiday mailing solicitations. Fred Franklin, Development Committee member and HPC alumnus, remarked, "The Henry Perry alumni felt they were ignored by previous administration, and it will take years before anyone gives more than a few hundred dollars. If you're going to launch a capital campaign, you need to find new donors. We need more parties and events to help us feel better. Then you might get some of us to give $25,000 or $30,000!" Sigrid agreed and then suggested that committee members meet separately, without college administrators, to plan more parties. However, just before the meeting ended, committee member Alex Cross, stated: "I think we can approach some donors now, and we should start with the trustees who are alumni. Many of us are very grateful to HPC for leading us to success. We shouldn't be unwilling to help just because previous administrations have neglected alumni relations." Sigrid politely thanked Alex for his suggestion, stated that she felt the committee should concentrate on alumni events rather than outright funding requests, and asked for a motion to adjourn.

Carl knew that creating a culture of philanthropy and obtaining pledges for six-and seven-figure gifts would take time, but he also believed that such gifts could be solicited over a year or two—and that the need was urgent.

How should Carl work with his board to get them to support a capital campaign – and further, how can he work with his board to understand that a few $25,000 gifts, while welcome, will never come close to meeting the growing needs of the institution?

Longhorn University

Longhorn University is a medium-sized institution (total enrollment of 6,000) located in southern Texas, about 35 miles south of San Antonio. The university has enjoyed many years of prosperity and stable enrollments and has been led by a charismatic president, Dr. Wilfred Travis. He served for over twenty years in this role and many trustees hoped that he would serve at least another five. Some trustees, however, felt it was time for Wilfred to go, get new blood at the helm. Travis' one failing was that he was never much of a diplomat, and some trustees, mostly newer ones, felt that his brash style was a problem. In a fiery closed-session meeting, the divided board ultimately concedes that it's time for the long-serving 65-year-old president to retire. However, his strongest supporters are also the college's biggest donors. They insist that Travis stay, or they will not continue to give, some may cancel pledges. In all of these discussions, Travis is kept informed secretly by his trustee allies.

The board chair, who has served for six years but who is not one of Travis' fans, decides that the best solution is to compromise, and suggests this to the Board. If Travis agrees to retire, the university can offer him the role of President Emeritus and Special Advisor. The board concedes and offers the new role to Travis, who accepts. He is given a generous salary, a spacious office on the opposite end of campus and an administrative assistant so he can "advise" his successor for the next three years.

His successor, Sue Dickenson, isn't happy. Sue had previously served as Provost and was the only internal candidate. The decision about Travis' appointment and new role was not shared with her during the interview process. The relationship between Dickenson and Travis had been cordial, but never close. Dickenson told a few close friends that had she known of this plan she would never have accepted the offer.

In her first year as president, Sue finds that Travis walks campus every day and asks people what they think about the new president. She learns that he regularly checks in with the CFO (his long-standing friend), instructs the director of buildings and grounds to make cosmetic changes and repairs on campus, meets with town leaders and elected officials, and attends most athletic events, saying he is doing this to help the new president "spend her time learning how to be a real president." Dickenson learns from a trusted ally whose wife works at a local high-end restaurant that Travis regularly socializes with board members there, and that discussions are overheard by restaurant employees and restaurant patrons regarding Dickenson's strengths and shortcomings.

What should the current president do?

10.

Maplesap College

Dr. Raymond Feldspar is president at Maplesap College, located in central New Hampshire. He has been at the helm for five years, successfully preserving Maplesap's reputation as a prestigious small college that attracts talented students from New Hampshire and from the northeastern United States. Maplesap has a reputation for being conservative; it has no religious affiliation but its leadership and board have been dominated by conservative and right-of-center thinking since its founding in 1950. Maplesap weathered the COVID-19 pandemic fairly well: it obtained a total of $6 million in federal funds, enough to pay for protective equipment and socially-distanced teaching and living during the pandemic. Its enrollment maintained in 20-21. Now that the virus is receding, even with the Delta variant, campus leaders (including President Feldspar) look forward to returning to normal. The campus will be open, students will attend classes in classroom buildings, athletics will have a season of competition, and other activities will resume an "almost" normal schedule. There is a solid entering class of freshmen from New England and from all over the U.S.

For the 21-22 academic year, President Feldspar and the Maplesap senior team have decided to require all community members to be vaccinated, only allowing documented medical or religious exemptions. The president met with the college Executive Committee of the Board prior to the announcement of this decision and invited input. The Executive Committee unanimously endorsed this decision.

The faculty were very happy with this policy and most of the students (and parents) were compliant. The college only has a handful of applications for exemptions from faculty/staff or students. The coming academic year is looking bright.

New Hampshire's Governor and the state legislature are not mandating vaccines for the state university system and are remaining relatively neutral in the vaccine mandate arguments, saying private universities can do what they want.

Unfortunately, five trustees of the 20-member board object strenuously. They assert that such mandates restrict personal freedom and put the College on the slippery slope to totalitarianism, against the founding mission of the College. They insist that the Board chair call a meeting (via Zoom) immediately to discuss how to revoke this mandate. These trustees are not executive committee members. Four of the five objecting trustees are alumni and are over 65 years old. Two of these trustees are calling for President Feldspar's resignation.

The Board Chair calls a meeting of the full board to discuss. Unfortunately, one of the five dissenting trustees has suddenly come down with a bad cold/cough and won't be able to attend. The meeting is confirmed, however, and the president works with the Board Chair to craft an agenda.

What does the president need to do in advance of the meeting? What do the trustees need to know in advance of the meeting?

12.

Methuselah College

Josiah Freshstart was appointed the 13th president of Methuselah College in 2015. Methuselah was founded in 1918 as a liberal arts college. It is located in western Pennsylvania, in the town of Greensteel, about 50 miles east of Pittsburgh. Although MC's mission was always to educate first-generation and low-income students, it enjoyed a period of significant growth and prosperity in the decades of the 60s, 70s, and 80s. MC's miniscule endowment grew from a few hundred thousand dollars to over $30 million by 1990. In 1995, Dr. Horace Lamprey was appointed 12th president. He led the college ably for many years and was very popular with his board. In fact, over time, the entire board of trustees came to be composed of friends and colleagues who were quite close to Dr. Lamprey (one was a distant cousin). Some of the trustees were successful business owners of Greensteel, others were old friends from various walks of life, such as Jim Driver, the managing director at the Greensteel Golf Club. There was one woman on the board, Betty Blackrock, who was the director of the Greensteel Public Library.

Life was lovely at Methuselah for many years, and Horace became more and more confident – and powerful – in his role. By the mid-2000s, however, enrollment at MC began to decline. The campus was not being maintained, and budgets were cut. Horace turned 75 in 2014 but gave no indication that he planned to retire. His board was content with leadership and kept renewing his contract. In fact, trusteeship at MC was quite relaxed. Meetings were relatively brief, Horace reported regularly that the College was in fine shape. Often draft minutes of the meeting that was yet to happen were passed out at Board meetings and voted – before the meeting actually occurred.

Finally, at age 80, Horace decided to retire and the board conducted a national search for his replacement. Josiah Freshstart was, hands down, the obvious choice among the finalists and accepted the offer, joining MC in August of 2020. Josiah was confident he could revive the culture at MC and move the College on to a greater level of success. The financial reports were not amazing but revealed a college with a balanced budget and prudent financial management. The only question in Josiah's mind was why the endowment now stood at $12 million when it had once been well over twice that amount. He was told that there were a few capital projects that the board had agreed to fund out of quasi-endowment.

On his fourth day in office, the CFO came to Josiah and informed him that he could not make payroll. Further, that the financials presented to Josiah were inaccurate. Endowment dollars, including restricted amounts, had been spent over the last 10 years to balance budgets. Did Josiah want to draw down more to do same? The line of credit was maxed, by the way.

Josiah knew, instantly, that he had been misled by the Board – perhaps unknowingly – but he had been told that the College was in much better financial shape than it was. Before he called the board chair, he realized he had three choices: 1. Quit and sue the board; 2. Work with the Board to close the College; or 3. Work with the Board to turn around Methuselah College.

What choice do you think Josiah made? What choice would you make? What would be your first steps? What would be your plan, particularly relative to the Board?

14.

Notre Dame des Cypres College

Marla Pelican is the president at Notre Dame des Cypres College in southern Louisiana. She has been president for three years. NDC is affiliated with the Catholic Church and was founded in 1880. NDC's endowment stands at $23 million and has not grown significantly for many years. A new trustee, Calvin McDonogh, joined the board in the fall. Calvin owns a considerable amount of commercial real estate in New Orleans and also owns a investment consulting company. His daughter, Phoebe, is a sophomore at NDC, majoring in accounting.

Calvin is appointed to the Finance Committee and quickly asserts himself regarding the disposition of the endowment. He believes the endowment is too conservatively invested and that the Board should rewrite its investment policy document, allocating higher percentages to equities and private equity.

He approaches several trustees on the Finance and Investment Committee and announces that he plans to give Notre Dame $10 million, to be put in the endowment. Only a few strings are attached: the board must use his investment company to advise on and monitor the soon-to-be enlarged endowment. And the College must hire his daughter to work in the finance office after she graduates. He reminds the clerics that he is a major contributor to the Catholic Church, and in fact was a major donor to the renovation of the church adjacent to the College where many of the faculty attend.

President Pelican is completely unaware of Mr. McDonogh's proposal to the Finance Committee. The four trustees involved decide to keep this quiet until they can discuss the matter with the Board Chair, Horace Bixby. Mr. Bixby likes the idea and says he will discuss with Dr. Pelican, talk her into liking the idea. Bixby adds that there will be no need to consult with the Vice Chair or college legal counsel. The Finance Committee members all agree and decide it's a good time to head to the tony local bar, Chez Claude, and have a few Sazeracs.

When Dr. Pelican hears the news, she is shocked, mostly because she was kept in the dark for so long. She responds to Bixby that this appears to be a major conflict of interest. Bixby tells her not to worry, the trustees will figure out how to handle this, all she needs to do is step back and let the board leadership work out the details.

What should Dr. Pelican do? What questions should she ask, and of whom? How can she navigate this problem and still keep her job?

Smallville University

Smallville University, founded in the 1860's to prepare clergy and teachers, has 1500 residential undergraduate students, plus adult certificate programs and masters programs for 150 students in education and business. While fewer than 10% of its students belong to the founding denomination, the bylaws still require that 10 of the 30 board members must be affiliated with denominational churches. The board currently has 6 clergy including the regional minister of the denomination. The president of the alumni association, the CFO of a privately held corporation in Chicago, holds an ex-officio position on the board, as does the university president. Most of the other trustees are alumni and/or prominent leaders from the region.

There is no formal requirement for donations from trustees. Most of the clergy contribute modestly, $100-$500 per year, while their churches, which once gave meaningful support to the university, are no longer able to send dollars or students. Indeed, the churches themselves are struggling, and it's increasingly difficult to identify qualified lay trustees from area churches.

Carla Candoo is the new president. Although she holds a master's degree in music, she has worked in fund-raising throughout her career, and was recruited especially to raise money for scholarships, campus infrastructure, and endowment. She herself belongs to the denomination, though she didn't graduate from Smallville.

The board chair is a successful local entrepreneur, a Smallville alumnus, and a former member of the denomination. Because he is now Episcopalian, he does not count as one of the 10 denominational representatives. He enjoys the prestige of his role, and his gift of $2,000,000 to the Athletic Department made him one of the few significant trustee donors of the last decade. As the owner of a growing number of businesses, however, he has limited time to give to his new president. "You tell us what we need to do and I'll keep out of your way!" he tells Carla in an early meeting. "We need money and you need to get it!"

At the next board meeting, Carla describes best practices in fund-raising campaigns and distributes a photocopied article from AGB entitled, "Give, Get, or Get Off!" The regional minister rises to his feet and, in somber tones, cites the university's historic mission to prepare preachers and teachers, and assures the group that if their cause is noble, God will provide. The head of the alumni association bluntly asks if the make-up of the board needs to change so there are fewer clergy and more rich businesspeople. The regional minister passionately replies, "Smallville University may feel it no longer needs the church, but the church needs Smallville more than ever! And Smallville needs us! We are here to insure that Smallville remains a moral institution. As a matter of fact, I think we are forcing too many of our students to incur debt, and you business people should be ashamed. We need to reduce tuition and become less corporate in our approach!"

The board chair decides to table this discussion until the next meeting.

What should Carla do next?

Waccabuc College

Trustee Elvin Braithwaite, class of ’98, is a proud new member of the Waccabuc College board. Elvin (or Scooter, as he is known to friends) was a star rower and enjoyed every minute of his college career at WC. Scooter has done well in the real estate business, has inherited a good deal of money, and is happy to begin to think of ways he can give back to his beloved alma mater. Because he is on the young side, as trustees go, many of his professors, advisors, and the crew coach are still employed at Waccabuc. After a year of trusteeship, at his third board meeting, Scooter announces that he always comes to campus prior to the board meeting, walks around, and asks faculty, staff, and students what’s going on at the College--to get an unfiltered opinion. In fact, now that it is known that trustee Braithwaite does this, several people make it their mission to find Scooter and give him reports about the way the college is being run. At the October board meeting Scooter makes a statement in the session on student life that the housing director (also a fellow classmate) is hugely underpaid and overworked. Scooter suggests that the board immediately review the staff compensation structure and plan to give raises asap. The Chair, who is also an alumnus and very conflict-averse, ponders this suggestion and replies that a compensation review is not a bad idea. The Chair of the Trusteeship Committee looks troubled at this moment but says nothing. The matter is referred to the Finance Committee for consideration and possible recommendation. ***What is wrong with this scenario? What should the president do?***

18.

Willow Hill College

Willow Hill College is a private college located in Wiscasset, Maine. The college has maintained enrollments and has enjoyed financial stability for the last ten years. The president of Willow Hill, Michael Prescott, has been president for eleven years and it is a widely accepted opinion that he has been responsible for keeping the college on track to achieve its goals, survive, and even flourish in challenging times.

Willow Hill students are generally serious about their academic work but they are also renowned for enjoying themselves while in college. The 24-member Board of Willow Hill has 50% alumni membership. These alumni trustees are fiercely devoted to the institution, most are quite successful professionally, and wax sentimental about the fun they had in the "good old days" during many Board meetings and the social hours that follow those meetings.

The past year and a half have been challenging for Willow Hill, as has been the case with every college in the country. Managing the COVID pandemic has been at the forefront of the president's mind as well as his cabinet. Activities, such as athletic events, plays, guest lectures, gallery showings, and social gatherings were put on hold during 2020-21 and are beginning to resume in the still uncertain 2021-22 health environment. Staffing at the college has been an unexpected challenge, with key open positions being difficult to fill. The outsourced companies that provide facilities management and food service are especially challenged and there are numerous vacancies in housekeeping and dining hall staffing.

One sunny Sunday in September, President Prescott was enjoying a rare quiet moment reading the news when he received an urgent text from a trustee, Amy Johnson. Amy had just seen a posting in an unofficial Willow Hill Alumni Face Book page from a current student who claimed that the College had decided to stop serving any kind of alcohol at the campus pub (which had been a WHC tradition for many years, serving beer and wine a few days a week to of-age students). The student was organizing a petition to the president and wanted alumni as well as students to sign on. Amy, the trustee, was also an alumna and felt this move by the administration was "outrageous," and worried that a student revolt would soon follow. Michael, the president, then picked up his cell phone and called Amy saying that a revolt was highly unlikely. He explained further that the student circulating the petition had misunderstood – the plan was to reopen the pub after a three-week mask mandate that was required as the fall semester started. Michael said the VP of Student Affairs would write a response first thing Monday morning. Amy said she already had replied to the student, announced herself as a trustee, and promised the Willow Hill administration would resolve the problem ASAP.

Although the errors in the students' assumption about the pub were cleared up the next day by the VP of Student Affairs, Michael remained concerned that Amy Johnson had identified herself as a trustee the students could contact to share any of their concerns. And, in fact, two weeks later the same student messaged Amy on another matter. A popular staff member in Athletics had left his job, and the rumor was circulating that he had been fired. Students began another petition to demand his reinstatement. Amy informed the students she would investigate the matter. The truth was that the staff member had behaved inappropriately with several female employees who had then filed complaints of sexual harassment with Human Resources. After the appropriate review, the staff member was let go. Not knowing these details, Amy, the trustee, wrote to the Board Chair to insist that the employee's case be discussed, along with the administration's insensitivity to the students' needs at the upcoming Board Meeting, which was scheduled for the following week. The Chair did not immediately agree and said he needed to discuss with the president first to get his perspective.

What should the president do at this point? What might he have done earlier to prevent further communication between the students and the trustee? Should a board have a policy for social media?